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28 April 1980

West Europe Report

(FOUO 20/80)



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WEST EUROPE REPORT

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COUNTRY SECTION

INTERNATIONAL AFFAIRS

ICAA HEAD COMMENTS ON AIR TRANSPORT SITUATION

Paris AIR & COSMOS in French 8 Mar 80 pp 39, 48

[Text] Mr Claude Abraham, Director General of Civil Aviation recently gave, on the subject "Air Transport and Europe," a talk on the occasion of the ICAA*meeting at Orly, from which we feel it would be interesting to extract a few passages explaining the French positions in the area of European air transport.

After recalling that Europe remains, by very far the greatest international carrier in the world, Mr Abraham referred to the aeronautical Europe of the European Civil Aviation Commission, that of the European Economic Community, of Eurocontrol, of the JAR (Joint Airworthiness Requirements) in the matter of certification.

Evolution Over the North Atlantic

He then indicated how, in the face of the problems of the North Atlantic, first a refusal phase was observed, then an attempt at construction preceding the arrival of Freddie Laker and the signature of the Anglo-American so-called Bermudes II agreement. Analyzing the change over the North Atlantic, Mr Abraham stated that:

--The traffic increasing most during the past 4 years was that between the United States and Great Britain: by 75 percent; up to 1978 inclusively. In 1979, it is not at all true as regards capabilities offered and number of entry points.

--The traffic to Brussels and Amsterdam has increased considerably, but it had been very little to begin with, and the American carriers practically did not touch Belgium and Holland.

--The basic data on the North Atlantic traffic has been reversed. From 55 percent Americans carried to 45 percent by aircraft bearing the American flag, we have come to 49 percent Americans carried to 51 percent by their carriers. In other words, the lower the number of American citizens, the more they are carried by the American companies.

*International Civil Airport Association

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--The bulk of the increase in traffic has been in the East-West direction. This means that the traffic starting from the United States has been stagnating for two years, and that most of the increase in traffic is caused by Europeans crossing the Atlantic in the other direction. This is even stranger since it is 15 percent cheaper to travel West to East than East to West.

--It appears that there is a relatively close relationship between the change in the traffic and that of the rates of exchange, while there is practically no correlation between the evolution in the traffic and the tariffs.

--Thenormal economic tariffs are highest on the so-called liberalized markets, while the lowest tariffs, with the exception of England, are found fairly homogeneous over the whole of Europe.

Mr Abraham estimated that the experience of the last few years in the North-Atlantic is not particularly conclusive, but he observed that the financial results of most of the airlines have deteriorated, except for those of Air France, which is very close to the profitability threshold. As regards the future, Mr Abraham believed that the Americans will continue trying to impose their rules: we will be witnessing increasingly bloody, increasingly unpleasant battles.

Intra-European Transportation to Change

As regards intra-European transportation, Mr Abraham referred to the interest of the European Economic Community, whose desire to deal with these problems is the greater because it does not have the right to do so, but to whom, nevertheless, a working plan was proposed. Thus there are debates over the comparative merits of competition and regulation, and over one regulation plan as compared with agreements. The initiatives of the commission will certainly be supported vigorously by the European Parliament and with an unequalled absence of vigor by the governments. We will have to take into consideration the complaints of the users, criticisms on the centralization of the European network, and the inadequacy of the interregional connections, and we may finally foresee an evolution in the sense of a certain liberalization.

The fact remains that intra-European air transport remains under the sovereignty of the States, and the latter do not have any intention at all of indulging in spree of liberalization, which for the rest they do not favor so much. But still, the situation will be changing. There will also be some attempts at liberalization, to see how it would work, whether it will work, and whether the traffic really does benefit by it without for this reason having the neighbors benefit by robbing our market.

Mr Abraham does not believe the Commission and Parliament will be powerful enough to impose a real liberalization of air transport in Europe. He is

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not sure that the governments are very anxious to run the risk of changing people who still earn money to people who lose it, and to experience the "Israeli incident" after which the personnel accepted a reduction of their personnel by 30 percent. It is not sure that anyone should wish to meddle with an equilibrium which is perhaps not totally satisfactory, but which at least has the merit of existing, to replace it by what is certainly a venture.

Europe cannot resist the consumers' desire for cheaper air transportation but Mr Abraham ended with the warning that no revolution should be expected.

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COUNTRY SECTION

FEDERAL REPUBLIC OF GERMANY

CANDIDATES IN NORTH RHINE-WESTPHALIA SAID TO LACK CHARISMA

Hamburg CAPITAL in German Apr 80 pp 123-124

[Article: "Royal Flush:]

[Text] North Rhine-Westphalia will hold elections in May. Chancellor Schmidt is the indirect campaigner. For of the four leading candidates of the three parties, no one has enough charisma to motivate the electors to make a clear decision in land policies.

Should the champagne corks go popping on the evening of 11 May in the CDU offices between the Rhine and Weser Rivers, then there will be one person in the Land who will put the election victory feather of the Christian party into his hat more than anyone else: Prof Kurt Biedenkopf. The chairman of the Westphalian CDU will then note that not even Franz Josef Strauss could prevent him--Biedenkopf--from helping two-time loser Heinrich Koeppler, finally to gain the post of minister president. But the "brain," as party friends call the calculating professor, has also made plans for a different outcome. Should the SPD and FDP coalition parties end up winning, then it will be proven once and for all: Koeppler cannot make it and Strauss messed up everything else.

Biedenkopf, posing along with Koeppler on the election campaign posters, does, however, know why he accepted the second place position with stirring loyalty behind Koeppler ("Heini is number one"). To march in the front ranks in the baptism of fire of Union Chancellor Candidate Strauss of all things--for this is also an issue in the Landtag elections in North Rhine-Westphalia--and possibly to go down with the flag flying, is not in keeping with the calculations and interests of such a prescient politician. On the other hand, if the CDU wins, he will obtain the post of economics minister of this populous and industrial Federal Land along with that of deputy minister president. Yet the opinion poll-takers hardly venture to say what the chances really look like. In the last Landtag elections 5 years ago the Christian Democrats obtained 47.1 percent of the votes, with the Social Democrats receiving 2 percentage points less. But the SPD still remained in control with the aid of the FDP. With 6.7 percent of the votes, the liberals easily hurdled the 5-percent barrier,

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even though it was not a glorious performance. They have not regained ground since then but instead drove out their Land party chairman, former Economics Minister Horst-Ludwig Riemer, in a spectacular pre-election year move. Riemer was not even allayed with a place on the Land election lists.

The Free Democrats are presently straggling the line of the 5-percent mark in the assessment of the people to such an extent that with a statistical margin of error of plus or minus 1 percent, no one can predict whether they will return to the Landtag in Duesseldorf. Should they be left out in the cold, then the Social Democrats have to make up for the 2-percent deficit of 1975 in order to replace the Christian Democrats as the strongest part in the Land and to be able to govern all alone.

The Union party is rejoicing that the "Greens" are already a step ahead. Yet whether they will mobilize sufficient numbers of voters to inflict considerable damage upon the Social Democrats in view of the developments in the present world crisis, still remains an open question: the fear of war and the oil price explosion have dampened the antinuclear power hysteria. Furthermore, the FDP does not expect to lose anything to the Greens: it too is strictly against the construction of atomic power plants, with Interior Minister and Land party chairman Burkhard Hirsch at the forefront. Presiding SPD Minister President Johannes Rau cannot entertain this attitude, although he wanted to wreck the energy policies of Chancellor Schmidt. And Rau does not want this in the way some other Social Democrats do. This is the dilemma of the Rhine-Ruhr government boss, be it not the only one.

Opposition leader Henrich Koeppler, traveling up and down the Land, does not tire of expressing astonishment in public that "in my opinion, for the first time in the history of our Land" the presiding minister president--that is Rau--does not enjoy the bonus of being in office. Koeppler says: "It is unbelievable, but the polls show that I am more well-known than the minister president. Nothing like this happened before."

The SPD is struggling to maintain its power in Duesseldorf with a man at the top who is the personified opposite of a champion of the people, who does not like to appear on television, who is "ridiculed and derided" (according to the FRANKFURTER ALLGEMEINE) by his FDP companion and colleague in the Cabinet, Burkhard Hirsch and for whom the chancellor in nearby Bonn--as noted by the SUEDEDEUTSCHE ZEITUNG--had only "haughty, almost cynical sounding words" by saying that he felt "well served" by Rau. Schmidt's summary as addressed to the party members: "You too must feel well served by Hannes Rau."

The word "must" should be stressed. In fact, the Social Democrats voted Rau to become the leading candidate with a dream nominating vote of 99.3 percent at its party nomination convention. The nominee expressed his thanks with a fiery speech, which is somewhat unusual for his reserved manner ("Stop Koeppler, block Biedenkopf, no votes for Strauss"). But a few days later he again disappeared from the newspaper headlines.

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In his cabinet, the soft-spoken bachelor presides with methods derived from anti-authoritarian principles of education: everyone does and says what he pleases. This has consequences beyond the cabinet meetings. The FDP coalition friends find Rau ridiculous. Before a gathering of liberals in Duisburg, Interior Minister Hirsch was amused by the words "Rau must remain minister president" as stated in the Social Democratic election platform: "He must, the poor guy! I think, he wants to. He does not have to do anything at all-- we could easily replace him with Mrs Funcke."

Rau's personal attitudes undoubtedly have more to do with closeness to the people rather than with political public relations, yet sometimes he stretches it a bit. For example, his decree instructing all Land authorities to respond to all incoming letters by citizens with a postcard confirming receipt of such letters had to be revised quietly: officials had calculated that the short notes on postcards from the Finance Ministry alone would cost taxpayers 1.7 million to 2 million marks annually.

Because their matador is actually not one at all, the Social Democrats are trying to make the best of it and are primarily depicting the civic-minded citizen Rau as the nice man from next-door. A flier on Rau, with a circulation of a million, depicts the young-at-heart Land father as a lover of beer and liverwurst, and also, of course, as a collector of classical records, but who also likes to go to bed with a good mystery book. The SPD thinks it can compensate for the lack of a First Lady (is this necessarily a shortcoming?) by playing up his "great reputation" with children, with whom Rau is very popular "as a magician and ventriloquist and riddler." What is more: "He has many godchildren--14 in all."

"A minister president is marketed in a way that cannot be more embarrassing," chides the FRANKFURTER ALLGEMEINE. Yet marketing the candidate Rau in this way is probably the only way to make him well known, at least as a person, because he hardly exudes a political image. As far as political activities--not only Rau's but also those of the entire leadership in Duesseldorf--are concerned, they are characterized by scandals in the eyes of the public. These range from the Poullain-Westdeutsche Landesbank affair to the disastrous planning of the large clinic in Aachen to the BuM failure, not to mention the mistakes with the projected cooperative schools which were prevented by a referendum. If one adds to this the year-long Riemer crisis in the FDP and Rau's lack of leadership, about which the Social Democrats also complain, then Koeppler and Biedenkopf should have an easy go at it.

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Barometer

In North Rhine-Westphalia the votes are split. In the Federal elections, the SPD has the edge and in the Landtag elections since 1970 the CDU has been on top although not enough for it to form a government in Duesseldorf.

	CDU	SPD	FDP
Land elections 1966	42.8	49.5	7.4
Federal elections 1969	43.6	46.8	5.4
Land 1970	46.3	46.1	5.5
Federal 1972	41.0	50.4	7.8
Land 1975	47.1	45.1	6.7
Federal 1976	44.5	46.9	7.8

Data in percent

But on the Rhine and Ruhr, it is primarily traditional-minded voters who go to the polls, just as in Bavaria. Whether it be the powerless Rau predecessor Heinz Kuehn or the faint-hearted Rau--votes are cast for the SPD. Whether it be the weak Koeppler or the divorced Biedenkopf--Muenster and surrounding areas vote for the CDU. Only the Liberals always have to fight anew for their few percentage points.

Liselotte Funcke, who was enticed away from her job after Riemer was thrown out of the Bundestag fraction and who was named the economics minister, should be successful this year as the top candidate of the FDP. Thanks to her many years of prominence on television as deputy president of the German Bundestag ("Ladies and Gentlemen") Mrs Funcke surely has a level of notoriety which should aid the FDP. But no one has yet heard that she and the minister president form a cooperative team.

Never having worked in a ministry before, tax expert Funcke had initial difficulties in her new post. But above all, the party conflicts with Rau, dictated by Hirsch's dealings, rob the deputy minister president of any appearance of a harmonious relationship with the government leader.

The conflicts, which are not supposed to be mentioned or continued just before an election due to a "peace clause" written into the coalition agreement, concern such complicated matters as the functional reform (among other things, a new structure of the Labor Court and Police Districts), the Youth Education Law (extension of mandatory schooling period, occupational training year), and public housing construction which the SPD would like to support a lot more than the FDP. The only reassurance remaining of the unity of the coalition parties is that, despite all the disputes, they want to reach an agreement after the elections.

This attitude is so embedded that Koeppler and Biedenkopf have dismissed all thoughts of any type of coalition with the FDP. The Union is trying to obtain the absolute majority of the votes or to continue fulfilling the honorary role of the opposition.

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The main points of their election campaign are policies affecting the schools, energy, the family, and social structure. Both CDU leaders, however, have to reckon with the fact that with the continuation of the Afghanistan crisis, political viewpoints within the Land will recede into the background to such an extent that presumptive CDU voters will not be motivated enough with the antipathy towards the general school project or with the child care payments.

But Koeppler does not want to change this when discussing these matters with a "core team" consisting of regionally well-known names such as the education expert from Muenster, Dr Albrecht Beckel, or the potential finance minister candidate, Dr Theodor Schwefer.

The insecurity of the situation not only distributes problems fairly to both sides but the roots of optimism can also be found herein. Apparently Rau has already sent out invitations for his victory celebration. Koeppler, on the other hand, likes to hear himself addressed as "future minister president"-- a form of address which is appropriate before as well as perhaps after 11 May.

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COUNTRY SECTION

FRANCE

SPACE PROGRAM TO GET 'MORE THAN 2 BILLION FRANCS' IN 1980

Paris AIR & COSMOS in French 22 Mar 80 pp 41-43, 48

[Article by Pierre Langereux]

[Text] In 1980 the CNES [National Center for Space Research] will have an initial real budget of 1.8 billion francs--to be more precise, 1.806235 billion francs--in authorization credits. This is an increase of about 15.7 percent over 1979, when the initial real budget was 1.506642 billion.

The CNES does have a higher figure for its 1980 authorization fundings--1.907235 billion francs, but as in previous years, this is a purely accounting presentation. The difference between the two amounts of authorization funds comes from the fact that the French participation in expenses of the Guyana Space Center (101 million francs in 1980) is first paid to the European Space Agency, which then pays it back to the CNES for execution. So this sum reappears (in a purely accounting sense) in the CNES "own resources" which, because of this, then amounts to 293,405,000 francs in 1980, on the basis of a total budget of 1.907235 billion francs.

Appropriations of the CNES in 1980 amount to 1.877955 billion francs (1.654142 billion in 1979).

We should point out that, starting this year, the CNES budget no longer covers the totality of the French space program. In fact, it does not include the financing of the new French telecommunications program, Telecom 1, nor that of the French direct television broadcasting satellite, TDF 1, nor the financing of the program to train the first French cosmonaut.

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The Telecom 1 system will be operational in mid-1983 with two satellites launched by Ariane in December 1982 and in early 1983. The French Intelsat stations will provide the standard telecommunications and small simplified stations with 3-meter diameter antennas will route the intra-enterprise traffic. The cost of the entire program is estimated at 1.520 billion francs (in 1978 prices), reported the CNES, which stated that "financing will be provided integrally by the DGT [General Telecommunications Office] of the Posts and Telecommunications Ministry. The portion devoted in 1980 by the DGT to development of the "space segment" (satellites and launches) of the system is about 200 million francs.

For the time being, no financing is scheduled in the CNES 1980 budget for participation in the new Franco-German direct television broadcasting satellites, the French TDF 1, and the German TV-SAT. The total cost of the Franco-German program is estimated at 1.4 billion francs (1978 prices), and the French share at 800 million francs with national investments. "Its financing will be covered by later governmental decisions," according to the CNES.

Furthermore, the program to send the first French astronaut into space in mid-1982 on board a Soviet orbital Salyut station is not included in the initial budget worked out last year. "The financing of this operation is under study," said the CNES. About 10 million francs have been allocated for this program in 1980 to cover the expenses of selecting and training the cosmonauts and the expenses of preparing experiments.

The French space effort in 1980 will therefore exceed 2 billion francs, including funds (of the CNES or other organizations) for new programs that will start this year.

1.8 Billion Francs for the CNES in 1980

The initial real budget of the CNES for 1980 in authorization funds, 1.806235 billion francs, consists of a government payment of 1.613830 billion (1.4153 billion francs in 1979), of which 1.40213 billion francs are for program authorizations, and 211.7 million are operating funds, plus 182,405,000 francs from the CNES' own real resources.

The government payment of 1.61383 billion francs includes a payment from the ministry of industry amounting to 1.36938 billion francs (1.20707 billion francs in 1979) and payments from other ministries (under the titles of the Ariane and SPOT programs) amounting to 244.45 million francs in 1980 (208.3

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million francs in 1979). These payments by other ministries this year are coming from: the ministry of defense (122.8 million); the P&T [Postal and Telecommunications] ministry (93.95 million francs); the department of overseas departments and territories (2.35 million); the ministry of the environment and quality of life (2.35 million); agriculture (2.35 million); the delegation for territorial development (3.55 million); transportation (3.55 million); the ministry of industry, excluding the research envelope (8.55 million); and the state secretariat for research (5 million).

Redeployment

The 1980 real budget of the CNES can be broken down, in its major categories, into 1.02665 billion francs for European programs, 97.09 million francs for bilateral cooperation programs, 166.45 million francs for the national program, 34 million for research and development, and 482.04 million francs for "functional support" of CNES programs (or 664.29 million francs for functional support of the CNES and ESA [European Space Agency] programs, on the basis of the real budget).

The general trend of this 1980 CNES budget is thus for redeployment of the main sectors of activity, benefiting the national program (whose funding is being tripled), while providing a better balance with the European and bilateral programs, after several years of major financial efforts devoted to the development of the Ariane launch vehicle.

ESA to Get 1 Billion Francs

The multilateral cooperation programs, that is, the European space programs of the ESA, are in 1980 still absorbing over half of the CNES budget, with 1.02665 billion francs (1.00725 billion in 1979).

The European launcher program, Ariane, for which the CNES is responsible, is getting over half of the European program funding, with a total of 516.4 million francs, including: 440.5 million for development of the launch vehicle, 38.9 million for completion of the first group of six production rockets, and 37 million for improvement of the launcher (Ariane 2 and 3). Let us remind the reader that France is financing two-thirds of the Ariane program.

This year the CNES is also paying 66.35 million francs for the Spacelab manned orbital laboratory, for which France is financing 10 percent of the development cost. But these funds

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only cover French participation within the limits of 120 percent of the envelope of the Spacelab program. The supplemental funds needed to cover the new estimate for completion (140 percent of the envelope) are not yet included in the CNES budget, although an agreement was reached on this subject this week.

The CNES is paying 112.9 million francs for the ESA's scientific program. This includes participation in the magnetospheric satellite program, GEOS 2. This satellite was launched on 14 July 1978, and will be put in "hibernation" from July to December 1980, to resume service in January 1981. But it also covers French participation in the U.S. satellite program, IUE (which was launched on 26 January 1978) and in the European program, ISEE 2 (satellite launched on 22 October 1977). Also covered is participation in the development of the astronomical satellite Exosat, which will be launched in November 1981 by Ariane, and in the ESA's solar probe program, the ISPM. Its launch is planned for February 1983 by the Shuttle. France is also taking part in the development of the SLED, the "vestibular sled" to be used for the Spacelab, and in the construction of some parts of the large U.S. astronomical satellite, the Space Telescope.

This year the CNES is financing the telecommunications satellite programs of the ESA in the amount of 105.15 million francs. This covers participation in the experimental satellite program, OTS 2 (launched in May 1978), in the maritime telecommunications satellites MARECS A and B, to be launched in December 1980 and at the end of 1981 by Ariane, and in the operational communications satellites, ECS, also to be launched by Ariane vehicles. The ECS program now includes six operational satellites for the European organization Eutelsat; the first satellite, ECS 1, is to be launched in February 1982.

The CNES is spending 43.6 million francs on earth observation programs, particularly on the meteorological satellite program, Meteosat, with a payment of 5.65 million francs from the National Meteorology Service for exploitation of these satellites. The first satellite, Meteosat 1, failed after 2 years of operation, and the second, Meteosat 2, is to be launched in September 1980 by an Ariane rocket (L03). These CNES funds also cover French participation in the development of a new European satellite, Sirio 2, designed to distribute weather data and for the worldwide synchronization of atomic clocks (LASSO experiment), and for implementation of the Earthnet system of collection and distribution of data from the U.S. remote sensing satellites.

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The 1980 Real Budget of the CNES (authorization funds in millions of francs)

	1978	1979	1980
BUDGET			
1) Subvention d'Etat	1 271,9	1 415,3	1 613,8
2) Ministère de l'Industrie	1 117,7	1 207,0	1 369,4
3) Autres Ministères	154,2	208,3	244,4
4) Ressources propres	80,2	145,3	182,4
5) Budget initial réel	1 365,1 (*)	1 569,6	1 806,2
6) Support fonctionnel des programmes et développement	369,3	407,65	482,04
7) Recherche et développement	32,5	29,10	34,00
8) Programme européen (ESA) 10)			
Programmes bilatéraux, 11)	871,7	1 007,25	1 026,65
Programme national 12)	30,9	73,64	97,09
13) Lancements (Ariane) 14)			
Satellites 15)	457,27	500,25	516,40
Véhicules spatiaux (Spacelab) 16)	222,65	245,18	409,41
Balloons 17)	63,50	55,15	66,35
Fusées - sondes 18)	14,00	12,75	13,01
Expériences scientifiques 19)		0,45	0,45
Expériences d'applications 20)	32,50	32,40	61,16
et équipements embarqués	31,00	22,23	41,16
MOYENS			
21) Science	208,85	216,65	253,415
Application	622,65	751,84	854,525
Télécommunications (fixes et mobiles) 23)	80,40	89,65	108,42
Météorologie 24)	42,40	31,50	35,60
Collecte de données 25)	16,30	18,75	20,75
Observation de la terre 26)	14,30	20,65	15,475
Opérations militaires 27)		1,75	4,69
28) Développement des moyens de lancement	457,25	560,25	516,40

(*) Sy ajoutem 50 MF de subventions supplémentaires des ministères de la Défense et des P. et T. versées en cours d'année (le budget réel pour 1978 a donc été de 1 415,1 millions de F).

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Key:

1. State payment
2. Ministry of Industry
3. Other ministries
4. CNES' own resources
5. Initial real budget
6. Functional support for programs
7. Operating costs
8. Research and development
9. Programs
10. European program (ESA)
11. Bilateral programs
12. National program
13. Means used
14. Launch vehicles (Ariane)
15. Satellites
16. Space vehicles (Spacelab)
17. Balloons
18. Sounding rockets
19. Scientific experiments
20. Applications experiments and equipment carried on board
21. Allocation of funding
22. Objectives
23. Telecommunications (fixed and mobile)
24. Meteorology
25. Data collection
26. Earth observation
27. Miscellaneous applications
28. Development of launch facilities

* To this are added 50 million francs in supplemental appropriations from the ministries of defense and posts and telecommunications paid during the year (so the real budget for 1978 was 1.4151 billion francs).

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The rest of the CNES funds for the European program covers the French payment to the general budget of the ESA (78.85 million francs) and to the Guyana Space Center (101 million francs) and for the operation of the sounding rocket range, ESRANGE (2.4 million francs).

Expansion of Cooperation Programs

Bilateral cooperation programs, which this year are receiving 97.09 million francs (73.64 million francs in 1979) are increasing strongly (up 32.2 percent over the previous year, which itself showed a noticeable increase). More than half of the French funds are to be used for scientific programs (52.29 million francs) and the rest (44.8 million francs) is for applications programs.

The 1980 funds of the CNES are divided among the four traditional partners of France, but with some variants:

- a. Cooperation with the United States is clearly increasing, with 38.355 million francs in 1980 (24.6 million in 1979).
- b. Cooperation with the USSR is also rising, with 32.33 million francs (27.62 million in 1979).
- c. Cooperation with the ESA is also up, with 22.985 million francs (15.77 million in 1979).
- d. But cooperation with other countries, primarily the Federal Republic of Germany, is down for the moment, with 3.42 million francs (5.65 million in 1979).

Argos and Sargos

Cooperation with the United States is still leading. The major part of the CNES funds (84 percent), 32.22 million francs, will be used for space applications, in the Argos (12.475 million francs) and Sargos (17.5 million francs) programs. The rest (2.245 million francs) will be used for remote sensing experiments with the U.S. satellites Nimbus 7 (Eurasep experiment on coastal regions), HCMM (coastal experiment), HCMM (COC experiment on the color of coastal oceans), and the Tiros N/NOAA 1 (IANA experiment on the Antarctic pericontinental current).

The French Argos system using the new U.S. Tiros N/NOAA satellites can locate and collect data from 4,000 platforms spread over the earth.

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The French Sargos system, derived from the preceding system, and also placed on the same satellites, forms the French participation in the SARSAT network for search and rescue of ships and aircraft in distress. This network will become operational in 1982 and will be conducted jointly by the U.S., France, and Canada. In principle the USSR should also be associated with this program, using the Soviet system COSPAS.

This year the CNES is also spending 6,135,000 francs for French experiments with NASA, such as the ELSY (a study of solar winds and the location of the sources of Jupiter's radio waves), and the Dual Janus (a program to study energy particles of the solar system on the solar probe, IPSM, and for the Joconde and NIMS experiments carried on the U.S. probe Galileo, which will be launched toward Jupiter, and the Faust experiment (ultraviolet extragalactic exploration) to be carried on board the Spacelab.

Arcad 3 and Venera 84

Cooperation with the USSR, also large, is also more spectacular because of the flight of the French astronaut scheduled for mid-1982 on board a Salyut station.

All told, in 1980 France has a participation of 23.4 million francs in the Soviet project Venera 84, including 15.1 million francs for the satellite which will be launched toward Venus in 1984. There are two vehicles involved: the satellite which will remain in orbit around Venus, and a French balloon which will float in the atmosphere of the planet with an instrumental nacelle. The CNES is also paying 8.3 million francs for scientific instruments for the satellite and the nacelle: these experiments will concern the dynamic, thermal, and physical study of the atmosphere of Venus and a physico-dynamic study of the cloud layer.

The CNES is also spending 2.8 million francs in 1980 for its participation in the Soviet satellite Arcad 3, which will be launched in 1981 as part of the IMS (International Magnetospheric Survey). For this satellite which is to study the lower magnetosphere in high latitudes, France is providing four experiments, the programming system, and a telemetry system; it is also taking part in the satellite integration.

The CNES has also allocated 6.25 million francs for other scientific experiments with the USSR, including the preparation of the Gamma telescope of the ultraviolet spectrometer UFT, and for a large number of small experiments (2 million

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francs) in progress in very diverse fields: biology, the ionosphere, planetology, and the development of equipment in space.

The First Spacelab Flight

Bilateral cooperation between the CNES and the ESA covers primarily the costs of development of national experiments carried on European satellites: 22.985 million francs in 1980, including 13.675 million for French experiments on the first Spacelab mission (FSLP). The most important French experiments of this joint ESA-NASA mission entail the development of materials with a furnace that can be recharged during flight and the physics of the atmosphere using ONERA's [National Office for Aerospace Studies and Research] grid spectrometer. The other French experiments for the FSLP will be devoted to a study of the solar parameters, the dynamics of the upper atmosphere, plasma physics, and the study of atmospheric and interplanetary hydrogen and deuterium.

The CNES is also spending 5.31 million francs on its Ogre and Masswe experiments to be carried on the solar probe ISPM and on the Surge experiment developed with the ESA and EARSEL for the exploitation of data from the U.S. oceanographic satellite, Seasat 1.

The balance of the funds for European cooperation (9.31 million) is to be used for ESA contracts for the study of "Ariane passenger satellites," for the antivibration device for the MARECS satellite, and the preparation of the LASSO experiment.

Funds for cooperation with "other countries" concern primarily cooperation with the Federal Republic of Germany for the operation of Symphonie satellites (3.27 million) and scientific developments (0.12 million francs) and a modest cooperation program with Sweden (0.03 million) for scientific experiments.

SPOT and Balloons

Credits for the national program have almost tripled in current francs, going from 43 million francs in 1979 to 166.45 million francs in 1980. That is due essentially to the start of the French satellite program for earth observation (SPOT) which this year is beginning its industrial phase with 90 million francs. The CNES said that two other European countries are

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also taking part in this national program: Sweden (the on-board computer) and Belgium (power supply and ground segment); they are also contributing to the cost of purchase of the Ariane launcher for the launch of the satellite in 1984. In all, the Swedish and Belgian payments for SPOT will amount to 87 million francs over the entire program; its total cost is estimated at 1 billion francs. The CNES also reported that the SPOT satellite is "specially adapted to the needs of the European and African continents" (where the average size of the agricultural landholdings is much smaller than in the United States).

The national program is also very strongly oriented toward observation of the earth, since nearly 90 percent of the 1980 funds--147.99 million francs in all--are devoted to earth observation, including the 90 million for the SPOT, 51.45 million for the Swedish and Belgian payments, 5.54 million francs allocated for resource management, and 1 million for laboratory experiments.

The CNES is also spending 5 million francs this year for scientific experiments using balloons (astronomy, solar and atmospheric physics) and on ground experiments (laser and doppler geodesy, astronomy, analysis of lunar samples, studies of exobiology), plus a million francs for remote sensing experiments (interaction of microwaves with vegetation, thermal inertia of African arid regions, emissivity of natural environments), and 0.45 million on launches of the Exametnet sounding rockets at the CSG.

The stratospheric balloon program, an original feature of the French space program, is getting 13.01 million this year. It is therefore keeping more or less the same level of activity as it had in 1979 (153 launches) and it involves various disciplines (aeronomy, meteorology, magnetosphere, ionosphere, astronomy, solar physics, biology, planetology, remote sensing, oceanology, etc.).

It will be used for: a launch program at Gap and a trans-Mediterranean program (five flights) with conventional stratospheric balloons, the construction of four natural-shape stratospheric balloons, the development of large "lobed" pressurized balloons which can remain at a ceiling of 30 km for 3 months with payloads of 30 kg, and the production of two Montgolfier infrared balloons with a long lifespan (3 months) which should fly this year.

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Research and Development

Research and development funds for 1980, 34 million francs, have increased (up 17 percent) over last year. They are allocated essentially for studies of future versions of Ariane (Ariane 4 and 5), and for preliminary studies of the strong thrust cryogenic motor, the HM 60 (7 million francs in all), the development of satellite equipment, such as nickel-hydrogen batteries, etc. (12 million francs in all).

Functional Support

"Functional support" activities of CNES programs are also increasing noticeably (up 16 percent) with 482,045,000 francs in real funds--or 583,045,000 francs with the 101,000,000 francs repaid by the ESA. Over half of these funds is allocated this year for operating costs--305,200,000 francs, of which 240,400,000 francs are for all of the personnel costs of the CNES. This year the CNES will have 1,080 employees and about 1,000 people employed by sub-contractors.

The rest of the functional support funds for CNES programs, 277,845,000 francs in all, is divided between infrastructure and equipment work both in France and in Guyana (14.1 million francs) and payments to the 14 scientific laboratories and the two technical laboratories of ONERA supported by the CNES (14.95 million francs). But the essential part of these funds--248,795,000 francs--is allocated for "technical launch and exploitation resources," including: a network of satellite tracking stations (25.33 million francs), computer facilities of the Toulouse Space Center (8.715 million francs), testing facilities of the CST [Toulouse Space Center] (25 million francs), the Balloon launch center at Aire-sur-l'Adour (2.8 million francs), and the Guyana Space Center (141.95 million francs) which is resuming its operational activities.

To this we must add, for the first time this year, the CNES participation in the new company, Arianespace (15 million francs or 34 percent of the firm's capital), which is to be established on 26 March (see AIR & COSMOS, no 804).

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COUNTRY SECTION

FRANCE

BARRE'S 'CAREFUL STEPS' ON INFLATION EXPLAINED

Paris L'EXPRESS in French 1 Mar 80 pp 87-88

[Article by Georges Valance]

[Text] Raymond Barre knows where he is going, but he has doubts as to the best way to get there. The objective is obvious: to assure Valéry Giscard d'Estaing's reelection with respect to the country's fundamental economic balances. But the prime minister, who has always been very sure of himself, of his policy and of the economic conjuncture, today clashes with uncertainty: he misjudges the margin for manipulating the French economy between now and 1981, in the face of increasingly unpredictable petroleum producers, global inflation which doubles in severity and the economic policies to be adopted by the United States and FRG after their elections.

If Raymond Barre knows where he is going, France is worried. With the important exception of the franc, which remains stable, all the economic indicators are lighting up.

Prices leaped by 1.9 percent in January and will run at an annual rate of 16 percent in the first quarter: annoying for a government whose first mission was the fight against inflation. Foreign trade reached in only one month two thirds of last year's deficit (Fr7 billion in January against 10.2 in 1979): embarrassing for a prime minister who is obsessed with currency stability. Unemployment has started rising again: distressing, now that France is entering little by little into an electoral campaign. Finally, interest rates have followed the global climb and, in turn, feed inflation.

Faced with this slide, what does the government do? We expected a harsh reply, a "mouthful" from Matignon. The prime minister is happy with measures restricting credit--starting on 1 April--and an admonition to the social partners: "Keeping up the purchasing power becomes an increasingly ambitious objective." And yet, it is pointed out at the Matignon Hotel that this statement must not be interpreted in a very restrictive manner. Surely wage earners will rejoice at this moderation but, is it in step with the inflationist wave which threatens to sink the country?

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"Government is not carried out through cutting remarks, and ills which come from abroad cannot be cured with domestic remedies," says Rene Monory, who has just decorated his office with color diagrams showing industrial production, current transactions and the value of the franc. For the minister of economy every ill comes from petroleum and raw materials: "You must realize," he hammers out, "that in 1980 the total bill for petroleum, gas, coal and raw materials will increase by more than Fr50 billion!" In January, energy alone has accounted for 0.8 percent of the price index.

The "Mark Zone" Holds the Line...

It is true that inflation is sweeping the western world. January alone attests to this: 3.3 percent rise in Italy, 2.5 percent in Great Britain and 1.4 percent in the United States.

In fact, western countries can be classified into three groups. Those which skid toward the 20 percent annual hike, such as Great Britain, Italy and Spain. Those which slide toward 12 or 13 percent, like France and the United States. Those which, thanks to their strong currency, hold the line at 6 or 7 percent, mainly in the "mark zone": FRG, Austria and the Netherlands.

Inflation is contagious by nature. After oil, gold, silver and raw materials leaped: 67 percent more in a year for the industrial raw materials imported by France. Events in Central Asia have not helped matters. For businesses, as well as for countries, it is a race toward strategic reserves.

What do governments do? Not much. Except for some symbolic gestures: When bad indexes were reported for January, President Jimmy Carter cut short his stay at Camp David to meet with his economic advisers. Oh, but!...Except also, and this is more serious, for resorting to the monetary weapon: to stop the boom, money is made expensive and scarce. In the United States, the prime rate reached a historical high: 16.5 percent. In France, it has gone to 12 percent, producing a rise in the price of credit. And a panic for investors, who want to get rid of their investments at the former rate: on Friday, 22 February, there was a minor collapse of debentures at the Paris Stock Exchange, with an effective suspension of quotations for 200 loans out of 1500.

The United States and the FRG control credit through rates. The French government adds to these the quantity weapon. Starting on 1 April, a larger portion of credits to the economy (export, investment and real estate credits) will be subject to guidelines. These measures are not useless, but they are moderate. A high official confides: "It will not hurt, but I am not sure that it will have any meaning." Pusillanimity? Prudence, mostly. In reality the government is waiting for a clearer view of the international conjuncture before acting. On 26 February, by announcing on television that he would discuss economic questions on his next appearance, Valery Giscard d'Estaing indirectly set this delay: two months.

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The Peek-a-boo Recession

What has happened is that for a year all forecasting machinery has become as crazy as a compass at the north pole. Experts and politicians have not stopped disagreeing: the former insistently announcing a recession, the latter preaching optimism. In May 1979, first predictions from the experts, headed by INSEE [National Institute of Statistics and Economic Studies]: attention, we will have a recession this summer. Nothing happened. Never mind that: it will be for the fall. In the fall, purchases boomed, pushed ahead in a race with the currency. Well, then it will be for the end of the year! In fact, in December activity slowed down, but only to bounce back in January. The debate crosses frontiers: in the United States the recession announced by the experts for 2 years has become the subject of jokes. The Americans call it the "peek-a-boo recession."

How can these distortions be explained? Certainly by the inadequacies and delays of statistic devices. But also by the fact that something escapes from the best conceived models: the ayatollahs' follies and the behavior changes of economic agents. For a year, buyers have not been behaving as expected. Despite wage austerity, they continue to buy even at the expense of their savings! In the United States savings are at their lowest since the Korean War.

This behavioral attitudes are not healthy and cannot go on indefinitely.

The INSEE already observes a slowing down of orders, while production continues, thus swelling inventories. Western economy is currently on an overhang: the higher the overhang, the harder the fall.

This concern explains the prime minister's prudence. He has an obsession: not to repeat Jean Pierre Fourcade's 1974 mistake of cooling the French economy while western economy started to freeze. Oil charges will have to be paid in terms of growth. The government wants to spread out the bill over a period of time, not to enlarge it.

Several other uncertainties plague the future: domestic and foreign. Domestically, the prime minister knows that he cannot go very far in his effort. The unions have been especially conciliatory up to now. There is talk of a decline in the purchasing power? The CGT [General Confederation of Labor] becomes active in human rights. The CFDT [French Democratic Confederation of Labor] has trouble cashing in on its reorganization and finds itself isolated. The labor force rejoices in self-satisfaction: Andres Bergeron, its secretary general, had said it well, "the Bolsheviks will always be Bolsheviks." Is it lasting? Some employers dream about it; at Matignon there are doubts. One of the prime minister's advisors explains: "The CGT will have to do something, especially in the public sector, and the CFDT attitude will depend on the presidential attitude: if Michel Rocard becomes a candidate, it [the CFDT] will enter the arena." Thus, there would be no point for the government to sharpen revenue policies between now and the 1981 elections.

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Another uncertainty, this one from abroad: the attitude of the FRG and the United States after their October and November elections, several months before the French elections. Perhaps an unfortunate accident: "Bonn and Washington," explains an economist, "will then tighten the screws, producing disgusting international conjunctures in full French electoral campaign." Officially, at Matignon and the Elysee, nobody pays attention to this lag: "The March 1976 elections lost at the height of Chirac's revitalization and the 1978 legislative elections won in the middle of Barre's austerity show that there is no obvious correlation between conjuncture and electoral results." That may be so, but there is no point in forcing the series law.

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COUNTRY SECTION

FRANCE

BRIEFS

MILITARY 'CHOICES' NECESSARY--"I believe in the citizen's obligation to devote a year of service to the nation, but not necessarily to the military services, which should carry out their missions themselves. I believe in the idea of civil [i.e. government] service." It was on 29 March at a colloquium sponsored by PARADOXES [which indicated in its Feb-Mar 80 issue that a full report of the colloquium would appear "in its next issue] on military policy that Michel Debre made clear the thinking of the Gaullist representatives with respect to military service. Pierre Messmer considers it (i.e., military service) also incapable of responding to the needs of the armed forces, whose technological sophistication and efficiency require professionals. RPR Paris deputy Yves Lancien is to submit a report to the defense committee [of the National Assembly] on this subject in 3 months. "We cannot sidestep the need to make some [hard] choices," he says. [Text] [Paris VALEURS ACTUELLES in French 7 Apr 80 p 10]

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COUNTRY SECTION

SPAIN

BASQUE NATIONALIST PARTY'S PROGRAM GIVEN

Madrid CAMBIO 16 in Spanish 23 Mar 80 p 23

[Article: "The Program of the Basque Nationalists"]

[Text] One of the battle and attack cries that the socialists [the PSOE-- Spanish Socialist Workers Party] used against the PNV [Basque Nationalist Party] was to accuse it of being a party without a program of government. There seemed to be one thing sure: the PNV presented itself in the electoral campaign speaking of its men and not of its plans to govern the Basque country.

Nevertheless, such a program exists and it was published by the PNV in the form of a pamphlet in a "Spanish version" (sic) and another Basque version. The pamphlet is merely a synthesis of the principal work contained in the ideological reports approved at the Assembly of Iruna (Pamplona) held in March 1977. The following are some of its features.

Economic crisis--The resolution of the unemployment problem and the recession calls for an increase in both private and public investment while attacking at the same time the acute problem of industrial reconversion.

To increase private investment the PNV proposes to secure credit at reasonable cost, easing access to same by small- and medium-sized firms, to provide adequate yields on savings and to rationalize and reduce the "double taxation" constituted by the Social Security mechanism. The public sector has to plan projects increasing employment, those that satisfy collective needs which go beyond private interests, and create stimulating effects on activity.

In the financial area the PNV aspires to rearrange the use of the Basques' capacity for saving for which reason it wishes to participate as the Basque Government in the elaboration of monetary policy at the state level and eliminate the privileged financing circuits giving access to credit to the PYME [Small- and Medium-Sized Businesses].

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In terms of taxation, the future Basque rulers wish to implement a redistribution of "direct, progressive, and equitable" revenues without raising fiscal pressure.

Culture--It proposes a "cultural plan of national salvation" which includes fundamentally the promotion of the Basque language, research, the diffusion of local artistic forms (theater, music, dance, and so on), and the establishment of cultural centers.

Education--The PNV advocates freedom of education, free elementary and first-cycle professional education, an autonomous Basque university that is not dependent on executive organs outside of the Basque country, and the possibility of making "ikastolas" (where the Basque language would be taught) public.

Autonomous police--A people's police that would break with the repressive image which police forces have. The gradual training of regional police forces retaining existing municipal police forces for which purpose an Academy of Police Training would be established. Within 2 years the latter would train 2,000 policemen. These would be the first of a total of 5,000 policemen who, together with the 1,000 municipal guards, would represent a ratio of 1 policeman for every 400 residents.

Navarra--Respect for the self-determination of the inhabitants of Navarra Province but an attempt to persuade them of the advantages of becoming part of the Basque country.

Northern Basque country (France)--In the long run, its integration in the Basque country.

Labor relations--Defense of the modification of the autonomous statute so that Basque territory may see the development of its own labor relations premised on negotiation and the exercise of trade union freedom. Also, creation of a model for trade union relations in the firm making possible the workers' participation in the management and distribution of the employers' resources.

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COUNTRY SECTION

SPAIN

ECONOMIC SLOWDOWN CREATING HIGHER UNEMPLOYMENT

Madrid CAMBIO 16 in Spanish 23 Mar 80 pp 44-45

[Article: "Unemployment Puts a Squeeze on Progress--This Won't Do"]

[Text] After 3 years of valiant struggle in the face of inflation, the government, businessmen, and trade unions have discovered that Public Enemy No 1 is unemployment and its consequences. During this period inflation dropped from 26.4 to 15.6 percent a year but the number of unemployed rose from 831,000 to 1,335,000.

The Spanish economy continues to slide downward at a pace which already points to fateful stagnation.

In a report on the situation, the CEOE [Spanish Confederation of Business Organizations] nostalgically recalled the 5.7 percent growth rate seen in 1974. In 1979, in the face of some growth projections of 2.5 percent in the government's economic plan, there was, in fact, a growth of between 1.5 and 1.8 percent, nearly half the rate of the year before.

The causes of the downslide which has increased the number of unemployed to over 250,000 workers [sic] in one year have been listed by the CEOE as the 18.2 percent hike in Spain's oil bill, the smaller real increase in exports, the drop in demand, the 24.6 percent rise in wages per hour, the cost of credit--17 percent, with an increase of 2 points over the earlier year--and the fall in tourism by 1 million visitors, with tourist spending 29 percent lower.

All these negative factors together "hardly lead to a very rosy picture of the Spanish economy," in the opinion of Jose Luis Ceron, chairman of the CEOE's economic policy committee.

Here No One Performs

And now, what is in store for the Spanish economy? For Ceron Ayuso "everything depends on the economic policy applied by the government." And the

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fulfillment of the government's economic plan, in the opinion of the one who was Minister of Commerce in the last Franco government, "is not satisfactory."

Ceron Ayuso noted what has not been accomplished. The projected public deficit of 300 billion Spanish pesetas rose to 342 billion. Of this sum, 105 billion apply to public enterprises, 63 billion to Social Security, and 35 billion to local entities.

Neither has greater freedom in the system of authorized prices been introduced. The public sector has increased its participation in the securities market, rising from 7.8 percent in 1973 to 34.4 percent in 1978, "which has hurt the private sector." In 1980, according to the CEOE, this situation will become worse. That is the year when the public sector will absorb 40 percent of the securities in the capital market.

Before these official estimates which have not been fulfilled so far the CEOE, in its "Report on the Economic Situation and Its Prospects," noted that the approval of the National Energy Plan "has partially dissipated one of the major uncertainties which are paralyzing the future development of the Spanish economy."

However, the bill regarding energy conservation--on the floor of the Spanish parliament--is characterized by this employers' association as "stingy" and it urges the government to give the green light once again to the operation of the two nuclear power stations which had previously been approved and to accelerate those which are under construction.

The Pulse Grows Weaker

If this is what 1979 has meant to us what are the prospects for 1980? "Bad," Ceron Ayuso said sharply. "The economic pulse," he added, "will continue to beat very weakly in the initial months of this year and will possibly accelerate in the second half of 1980."

But everything will depend on the measures which the government may take to reactivate investment, contain inflation, and reduce the increase in unemployment.

The external balance on the current account, the CEOE's report noted, will see a deficit of U.S. \$2.5 billion "owing, basically, to the sharp increase in Spain's imported oil bill." For Ceron Ayuso there are four locomotives which must pull the Spanish economy for its prospects to be modified: Nuclear energy, housing and public works, naval construction, and exports.

"The problem is to provide fuel to these locomotives," the chairman of the CEOE's economic policy committee noted. The fuel mentioned is investment whose reactivation has to be done by the creation of collective

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investment companies, the establishment of a mortgage market, the reform of the securities market, and the initiation of reciprocal underwriting companies basically oriented to the financing of small- and medium-sized firms.

However, these measures will be of little use, the employers' association observed, if an adequate climate in labor relations and the security of citizens is lacking and if productivity is not raised.

And without investment, the CEOE holds, it is not possible to fight unemployment effectively. The minister of economy, Jose Luis Leal Maldonado, thinks in the same way. On Wednesday, 5 March 1980, he recognized that unemployment was the priority concern of the government's economic policy.

Leal looked to traditional measures--longer schooling and the lowering of the retirement age--to alleviate unemployment. He conceded: "The last quarter was worse than we had anticipated."

Furthermore, the cost of living, according to the CEOE, will be strongly affected as a result of the latest rise in oil prices, for which reason "the risks of a reactivation of the inflationary process are obvious."

But the labor climate is tending to become normalized. Thanks to the application of the Marco Accord signed in January 1980 by the CEOE and the UGT [General Union of Workers], the total number of hours lost in February 1980 dropped by more than 50 percent compared to the corresponding month of 1979.

For Jose Maria Cuevas, general secretary of the CEOE, the application of the Marco Accord "is effective and we consider its level of fulfillment satisfactory." Cuevas reproached the CC00 [Workers Commissions] for their "obvious extremist stance in creating confrontation."

So far the collective agreements signed within the Marco Accord affect more than 2.5 million workers who have achieved an average wage increase of 15.5 percent according to the UGT and of 16 percent according to the CC00.

This trend is corroborated by the Atlantic Bank, which in a recent study asserted that "the socio-labor situation is not as serious as it was thought 4 months ago given that both the Marco Accord and the high levels of unemployment make peaceful negotiation possible."

Without everyone's assistance little can be done to get the country out of its economic difficulty. For that reason the CEOE calls on savers, investors, businessmen, workers, and the government to overcome their pessimism and follow the example of their countries "which are facing the economic crisis energetically and diligently."

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